

Asset Management in the Implementation of Public Sector Regional Property Disposal Systems

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Abstract: This research aims to understand the procedures and challenges involved in the disposal of regional property at the Financial and Revenue Management Agency of Hulu Sungai Selatan Regency, following the Standard Operating Procedures (SOP). Effective management of regional property is essential as it supports the primary revenue of a region. The study employs a qualitative research method with a descriptive approach, focusing on illustrating the research object, organizational structure, main tasks and functions, and the detailed system of regional property disposal. The research findings reveal that the SOP for regional property disposal issued by the Hulu Sungai Selatan Regency Government has been well-implemented and aligns with the prescribed standards. The SOP serves as an effective guideline for property disposal, although challenges persist during the disposal process, including issues related to the property itself and the accompanying documentation. Despite these challenges, the disposal procedures at the Financial and Revenue Management Agency have adhered to the established SOP. The main obstacles encountered include insufficient documentation and properties not meeting the disposal criteria. In conclusion, the study highlights the critical role of strategic asset management in the public sector, particularly in the disposal of regional property. The recommendations provided aim to address the existing challenges and improve the efficiency and effectiveness of the property disposal process, ensuring better resource utilization and enhanced financial performance. This research contributes valuable insights for policymakers and public administrators seeking to optimize asset management practices.

Keywords: Implementation of Regional Property Disposal System, Regional Asset Disposal System, Standard Operating Procedures

INTRODUCTION

Regional Property Disposal is defined as the act of removing State/Regional Property from the list of assets by issuing a decision from authorized officials to release Property Managers, Users, and/or Authorized Users from administrative and physical responsibilities for assets under their control. The significance of effective management of regional property lies in its role as the primary revenue support for a region. Regulations such as Government Regulation Number 28 of 2020 and Regional Regulation of Hulu Sungai Selatan Regency Number 35 of 2021 provide clear guidelines and bases for the disposal of regional property.

Previous research by (Agustin and Tarigan, 2022) on the Implementation Analysis of Regional Property Disposal by the Provincial Treasury Office of North Sumatra indicates that assets are typically disposed of due to severe damage or obsolescence. This suggests that as assets age, there is an increase in the level of damage, leading to higher maintenance costs. Hence, disposal can address cost inefficiencies. Additionally, (Anugraini and Puryandani, 2019) found that the accumulation of damaged goods in certain storage areas indicates a failure to promptly dispose of assets, which can lead to inefficiencies in space utilization and financial losses.

The urgency of effective asset management in the implementation of regional property disposal systems cannot be overstated. Proper disposal procedures are essential for optimizing revenue generation and ensuring transparent



and accountable governance. This study aims to explore the procedures and challenges in the disposal of regional property, particularly focusing on the implementation of Standard Operating Procedures (SOP) at the Financial and Revenue Management Agency of Hulu Sungai Selatan Regency. By examining the SOP and identifying gaps in its application, this research aims to propose recommendations for improving the efficiency and effectiveness of the regional property disposal process. Through a comparative analysis with SOPs from other regions, this study seeks to provide valuable insights into best practices and potential areas for improvement in asset management in the public sector.

LITERATURE REVIEWS

Implementation is defined by (Bovaird and Löffler, 2019) as the process of translating policy intentions into outcomes by devising and practicing plans, organizing and managing activities, as well as mobilizing resources and people to achieve desired results. This emphasizes the effective execution of policies or plans, including coordinating various activities, allocating resources, and engaging stakeholders. According to (Mulyadi, 2015) states that implementation refers to actions taken to achieve predetermined goals in a decision-making process. These actions aim to transform decisions into operational patterns and strive to achieve predetermined changes, whether major or minor. Furthermore, (Firdianti, 2018) simplifies implementation as the understanding and application of what should happen after a program is executed, as seen in the context of the Regional Property Disposal System, regulated by applicable laws and implemented to achieve desired goals in regional asset management. According to (Anugraini and Puryandani's, 2022) study on the Implementation Analysis of Regional Property Disposal in Bora Regency, based on Standard Operating Procedures, highlights the stages and processes of asset disposal conducted by asset management officials. This process encompasses various stages, from proposing the disposal of regional property to the eventual removal from the inventory records of the relevant regional agencies.

Understanding of Systems

According to (Kristanto, 2018) defines a system as a collection of interconnected elements that work together to process input directed to the system and transform it into desired output. (Marimin, 2015) suggests that a system is a coordinated effort comprising interrelated parts striving to achieve a goal within a complex environment. This understanding emphasizes the interrelation of elements to achieve a common objective.

Understanding of Procedures

According to (Nuraida, 2018) defines a procedure as the method for carrying out tasks, consisting of one or more activities documented in writing by an employee to ensure uniform handling of repetitive company transactions. Mulyadi (2016) describes procedures as sequences of clerical activities, typically involving multiple individuals within a department or more, designed to ensure consistent handling of repetitive business transactions.

Understanding of Disposal and Regional Property

According to Government Regulation Number 28 of 2020, Article 1 Paragraph 2, Regional Property is defined as all goods purchased or acquired using Regional Revenue and Expenditure Budget funds or from other legitimate sources. Regional property must be managed ideally, prioritizing efficiency, effectiveness, transparency, and public accountability. According to (Dewi, 2020) broadly defines assets as goods with economic, utility, ownership, and special value owned by an organization, focusing on achieving organizational goals. Therefore, regional property encompasses all assets owned by a region or local government unit, requiring continuous management and reporting as long as the items remain active assets of the relevant agencies.



Understanding of Standard Operating Procedures (SOP)

According to (Kusumaningrum, 2019) describes Standard Operating Procedures (SOP) as guidelines for employees to carry out work according to established standards. According to (Sailendra, 2015) emphasizes that SOPs are used to ensure that operational activities of organizations or companies run smoothly and effectively. According to (Susilowati, 2017) defines SOP as documents outlining daily operational activities to ensure that work is performed correctly, accurately, and consistently to produce standardized products. In essence, SOPs serve as guides for executing tasks in a structured and standardized manner.

Documents Used in the Regional Property Disposal System

The disposal of Regional Property involves specific procedures, as outlined in the SOP for Regional Property Disposal of Hulu Sungai Selatan Regency, based on Regional Regulation Number 35 of 2022. Documents utilized during the disposal process include:

- Letter of Disposal Proposal: Requested by asset users to propose the disposal of regional property.
- Disposal Approval Letter: Issued by Asset Managers after reviewing disposal requests and obtaining approval from the Regent.
- Destruction Minutes: Records the findings of the disposal committee regarding the condition of the regional property to be disposed of.

Records Used in the Regional Property Disposal System

According to Hulu Sungai Selatan Regency Regulation Number 35 of 2021, the list of Regional Property becomes a document containing lists of each asset owned by regional agencies, officially the responsibility of asset users, which must be reported, managed, and inventoried.

RESEARCH METHOD

Research activities require clear methods. Therefore, this study employs qualitative research with a descriptive approach. According to (Sugiyono, 2019), qualitative descriptive method is based on postpositivism philosophy and is used to investigate natural object conditions (as opposed to experiments) where the researcher acts as the key instrument. Data collection techniques are conducted in a triangulated manner, with data analysis being inductive/qualitative. The results of qualitative research emphasize meaning rather than generalization. Qualitative research is descriptive in nature and tends to use analysis with an inductive approach. Highlighting the research process and utilizing theoretical foundations are done to ensure research focus aligns with field facts. Furthermore, theoretical foundations serve to provide a general overview of the research background and as discussion material for research findings (Rukin, 2019). Meanwhile, according to (Moleong, 2017), qualitative research aims to understand phenomena experienced by research subjects such as behavior, perceptions, motivations, actions, and others holistically and in descriptive form using words and language, in a specific natural context, utilizing various natural methods. Given that the type of data used in the study is qualitative with a descriptive approach, the collected data consists of non-numeric data, both in written and oral forms. Information may include descriptions of the research object, organizational structure, division of tasks and functions, as well as systems and procedures related to the disposal of Regional Property by the Financial Management Agency of Hulu Sungai Selatan Regency.

The research gathers qualitative data through descriptive methods. Data consists of non-numeric information, both written and oral, providing insights into the regional property disposal system implemented by the Financial Management and Regional Revenue Agency of Hulu Sungai Selatan Regency. Data collection involves primary and secondary sources. Primary data are collected directly from the source. In this study, primary data are obtained through interviews conducted with key personnel from the Financial Management and Regional Revenue Agency. Questions

focus on the regional property disposal system's procedures, legal instruments, individuals involved, and potential cost savings from disposal. Secondary data, obtained indirectly, complement primary data. They include documentation and literature. Secondary data in this study are sourced from the Financial Management and Regional Revenue Agency's website and interviews with agency staff, providing additional context and historical background.

Data collection techniques include interviews and documentation. Data analysis follows qualitative methods, focusing on organizing, categorizing, synthesizing, and interpreting data obtained from interviews and documentation. Activities include data collection, reduction, presentation, and conclusion drawing, ensuring findings are comprehensible and relevant.

RESULT AND DISCUSSION

Implementation of Regional Property Disposal by BPKPD Hulu Sungai Selatan Regency Procedures for Regional Property Disposal Process by BPKPD Hulu Sungai Selatan Regency

In line with the research's objective to understand the regional property disposal process conducted by BPKPD Hulu Sungai Selatan Regency, this section provides a comprehensive explanation of the disposal process based on the Standard Operating Procedures (SOP) issued by Hulu Sungai Selatan Regency in Regulation No. 56 of 2021 regarding the Standard Operating Procedures for Regional Property Management. The disposal procedure is elaborated with explanations from the Head of the Regional Property Management Division at BPKPD Hulu Sungai Selatan Regency. Informative explanations were provided during a direct interview at the BPKPD Hulu Sungai Selatan Regency office on Thursday, April 13, 2023. During this interview, the author obtained permission to inquire about regional property disposal and record the information for further processing and presentation in the research report. The interview revealed that the disposal is based on legal regulations flowing from the central government to local regulations.

Central regulations governing regional property disposal include Government Regulation (PP) on Amendments to Government Regulation No. 27 of 2014 Regarding the Management of State/Regional Property, further regulated by the Ministry of Home Affairs Regulation on Guidelines for Regional Property Management. These regulations are further detailed in Hulu Sungai Selatan Regency Regulation No. 11 of 2017 and Regent Regulation No. 35 of 2022. The interviewee also discussed the disposal process outlined in SOP No. 52 of 2022 after the author inquired about the SOP governing the disposal process. The SOP provided by the interviewee is the same as the SOP that serves as the primary data in the discussion, detailed in the appendix document.

The interview session also addressed common challenges or issues encountered during regional property disposal, functional aspects related to disposal, and reasons why regional property needs to be disposed of, with real-life examples provided. For instance, a chair that is extensively damaged and no longer resembles its original form is eligible for disposal. The sequential steps outlined in SOP No. 52 of 2022 are followed by the steps explained by the interviewee during the interview. This serves as a perception to ensure the implementation of the regional property disposal process.

- a. Submission of Disposal Request
- b. Document Examination of Disposal Request
- c. Examination by Property Managers
- d. Disposal Decision Making
- e. Property Disposal
- f. Removal from Asset List

These steps aim to ensure the effective and efficient disposal of regional property, in accordance with legal regulations and established procedures. The interview with the Head of the Regional Property Management Division confirms that the disposal process carried out by BPKPD Hulu Sungai Selatan Regency aligns with the SOP issued by the local government, indicating proper implementation.

Challenges in the Regional Property Disposal Process by BPKPD Hulu Sungai Selatan Regency

The interview with the Head of the Regional Property Management Division revealed several challenges encountered during the regional property disposal process, including:

- a. **Incomplete Documentation:** Lack of complete documentation hampers the efficient execution of the disposal process and requires cooperation among stakeholders to rectify deficiencies and ensure completeness.
- b. **Non-Compliant Properties:** Properties proposed for disposal may not meet the specified requirements, necessitating thorough assessment and consideration to ensure eligibility for disposal according to SOP and policies.

By recognizing these common challenges, BPKPD Hulu Sungai Selatan Regency can devise strategies to enhance efficiency and effectiveness in the disposal process. Effective communication, policy formulation, and human resource development are essential for overcoming these challenges and ensuring the proper implementation of SOP for regional property disposal

CONCLUSION

In conclusion, this study offers valuable insights into the implementation of the regional property disposal system by BPKPD Hulu Sungai Selatan Regency. Through meticulous examination of the disposal process procedures outlined in the Standard Operating Procedures (SOP), the research has elucidated the efficacy and efficiency of the system. The findings underscore the adherence of BPKPD Hulu Sungai Selatan Regency to established legal regulations and SOP guidelines, indicating a robust framework for managing regional assets and ensuring regulatory compliance.

Additionally, the study identifies challenges such as incomplete documentation and non-compliant properties, presenting opportunities for enhancing the disposal process. By addressing these challenges through improved communication, policy refinement, and capacity building, the efficiency of regional property disposal operations can be further optimized.

In essence, this research contributes to the advancement of knowledge by providing a clear understanding of regional property disposal practices within the realm of local government administration. The identified challenges serve as catalysts for future research endeavors aimed at refining disposal procedures, strengthening regulatory compliance, and maximizing resource utilization in regional asset management

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